



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Uncompahgre Field Office
2465 S. Townsend Avenue
Montrose, Colorado 81401
www.blm.gov



CERTIFIED MAIL – Return Receipt Requested –

OCT 08 2009

IN REPLY REFER TO: (CO-S05) 3100, COC-67120X;
Bull Mtn. Unit - DOI-BLM-CO-150-2009-0005 EA

Dear addressee, this is a duplicate public notice to one you may have received via certified mail on BLM letterhead dated September 21, 2009. The notice herein must be resent due to it being inadvertently mailed out in a non-BLM envelope and to ensure the certified receipt will return directly to BLM. Please note that due to this discrepancy, the public comment period will now extend until November 13, 2009. If you have already submitted comments, you do not need to resubmit them.

Dear Interested Party,

This notice is an effort to clarify and offer additional information regarding the number of wells which may be drilled throughout the entire Bull Mountain Unit via an additional scoping period. This second scoping notice modifies the original scoping notice dated October 29, 2008, and includes an additional 30 day comment period in which public comments may be submitted in writing to the Bureau of Land Management, Uncompahgre Field Office.

The BLM is seeking input regarding a proposal by SG Interests I, Ltd (SG) to create a plan of development for mineral leases they hold within the Bull Mountain Unit in Gunnison County, Colorado, legally described as:

- Township 11 South, Range 89 West, Sections 7, 8, 17, 18, 19, 20, 29, 30, 31, 32
- Township 11 South, Range 90 West, Sections 11, 12, 13, 14, SE ¼ of 22, 23, 24, 25, 26, E ½ of 27, E ½ of 34, 35, 36
- Township 12 South, Range 89 West, Sections 4, 5, 6, 7, 8, 9
- Township 12 South, Range 90 West, Sections 1, 2, NW ¼ of 11, E ½ of 11, 12

The project area includes approximately 19,645 acres. The BLM manages 13,295 acres of Federal mineral estate beneath the private surface, the State of Colorado owns 57 acres, and the remaining 6,293 acres of mineral estate are private (fee). The BLM administers 500 Federal surface acres, SG owns approximately 2,300 private surface acres, and the remaining 16,845 surface acres are privately owned by others. The proposal is to develop 49 tracts within the 60-tract Bull Mountain Unit.

This scoping notice is consistent with the previous notice to the point which SG requires the use of 60 well pads; this includes 11 existing well pads and the construction of 49 new well pads which would equal a total of 60 well pads upon which multiple gas wells could be drilled, completed and produced. Natural gas would then be transported via field pipelines to the Bull Mountain Pipeline and into the national markets.

The intent of this second scoping notice is to quantify the overall amount of wells SG is proposing to drill. Overall, SG is proposing to drill as many as 150 wells on the proposed 60 well pads. Some will be coalbed methane wells with a spacing of 320 acres per well as prescribed by the BLM; then, depending upon the possibility that multiple natural gas producing zones are present, additional wells would be drilled in order to produce each of those other zones. The spacing pattern for wells drilled to deeper zones may be 640 acres or more. As stated in the

original scoping notice, 5 of the 150 wells may be water disposal wells to dispose of produced water from coalbed methane wells.

Following drilling and associated construction, part of the initial disturbance would be reclaimed. The area not reclaimed would be used for operations. Once the gas resource is extracted, facilities would be removed and the area reclaimed entirely. The estimated life of each individual well would be 30 years; the estimated life of the entire project could be up to 50 years, depending upon completion of full-field development.

The BLM has determined that this proposed action must be evaluated under the National Environmental Policy Act (NEPA) to evaluate the potential impacts to human health and the environment. The BLM is seeking any comments you may have related to this project. Your comments will assist in identifying issues that should be addressed as part of the analysis being prepared for this project. If you are interested in participating in the environmental analysis process, or have specific concerns, issues, or alternatives you would like addressed, please provide written comments to:

Thane Stranathan
Uncompahgre Field Office
2465 South Townsend Ave.
Montrose, Colorado 81401
Fax: (970) 240-5367
Email: Coufo-oil-gas@blm.gov

Written comments may be submitted by mail, email, or fax. Comments concerning this proposal should be submitted no later than November 13, 2009. A copy of this scoping notice and the previous notice can be downloaded from the internet website:
http://www.blm.gov/co/st/en/BLM_Information/nepa/ufo.html

Parties expressing interest during this comment period, and who contest a decision of the Authorized Officer, will be eligible to request a State Director review pursuant to 43 CFR 3165.3. The State Director's decision may then be appealed pursuant to 43 CFR Part 3165.4 and 43 CFR Part 4. Appeal and stay procedures are outlined in Form CO-1840. Only those who submit timely comments will be accepted as appellants of the final decision. Comments must be within the scope of the proposed action, have a direct relationship to the proposed action, and include supporting reasons for the Authorized Officer to consider. Also, for appeal eligibility, each individual or representative from each organization submitting comments must either sign the comments or verify their identity upon request. Please note that comments and information submitted regarding this project, including email addresses and street addresses of respondents, will be available for public review and disclosure at the above address. Individual respondents may request confidentiality. If you wish to withhold your name, email address, or street address from public view or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your written comment. Such requests will be honored to the extent allowed by the law. All submissions from organizations or businesses, and from individuals identifying themselves as representatives of officials of organizations or businesses, will be made available for public inspection in their entirety.

Sincerely,



Barbara L. Sharrow
Field Manager

Enclosure – 1 Map, 1 page

MAP ATTACHMENT

